

**Chief Auditor Matrix**  
**Office of Audit Services**  
**November 15, 2011**

**Board Assignment Status**

| Assignment Date   | Request / Subject  | Due Date | Status / Completed Date   |
|-------------------|--|----------|---|
| August 2011<br>FC | Build in Board interviews for the next RFP of the Board's Independent financial Statement Auditor. | Complete | Office of Audit Services has documented in its procedures to include Board interviews for Independent Financial Statement Auditor candidates in the next RFP. |

**Other Items of Interest**

| Item of Interest             | Status / Completed Date  |
|------------------------------|--|
| 1. Internal Audit Activities | <p><u>Quality Assessment Review</u></p> <p>The Office of Audit Services is in the final phases of its independent quality assessment review (QAR). The report will include an opinion as to whether the Office of Audit Services conforms with the <i>International Standards for the Professional Practice of Internal Auditing (Standards)</i> and any recommendations for improvement, as appropriate. When finalized, the report will be distributed to the Finance Committee and Executive staff.</p> <p>In accordance with the <i>Standards</i>, we are required to engage a qualified, independent review team to conduct the QAR every five years. A QAR scope includes staff education, certification, and ongoing training, audit plans, audit reports, and workpapers, audit resolution tracking, interviews of stakeholders, and benchmarking to best practices, among other areas.</p> <p>Office of Audit Services would like to express appreciation to all participants in surveys and interviews throughout CalPERS for the time and assistance provided to the on-site reviewer in completion of this review.</p> |

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|---|---|
| 1. Internal Audit Activities (continued)            | <p><u>Audit Plan and Audit Findings Resolution</u></p> <p>The Quarterly and Year-End Status Report as of June 30, 2011 will be presented at the November 15, 2011 Finance Committee as an information item. This item was deferred to November due to the cancellation of the September 2011 Finance Committee meeting.</p>   |
| 2. Independent External Financial Statement Auditor | <p><u>Audit of June 30, 2011 Basic Financial Statements</u></p> <p>The audited Draft Basic Financial Statements are scheduled to be presented at the November 15, 2011 Finance Committee Meeting. As contract manager and liaison, Office of Audit Services has worked with the audit firm, Macias, Gini &amp; O'Connell, LLP (MGO), and with the Financial Office to ensure the audit activities are coordinated throughout CalPERS.</p> <p><u>Other Attestation Engagements</u></p> <p>In accordance with the Finance Committee Charter and its contract, MGO also performed three agreed-upon procedures reviews; specifically, cash flow verification reviews for real estate partnerships. Office of Audit Services staff co-sourced with MGO on two of the three reviews.</p> |
| 3. Specialty Investment Auditors Spring-Fed Pool    | <p><u>Request for Proposal</u></p> <p>As approved by the Finance Committee in April 2011, a request for proposal for a new spring-fed pool of auditors with various investment specialties will be issued in the near future. The new contract will commence on July 1, 2012.</p>   |